

**CHETOPA – ST. PAUL
UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS**

For the Fiscal Year Ended June 30, 2010

Statutory Basis Financial Statements
Independent Auditors' Report
with Supplemental Information

CHETOPA – ST. PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

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CHETOPA, KANSAS

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Diehl Banwart Bolton

Certified Public Accountants P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Chetopa – St. Paul Unified School District #505
Chetopa, Kansas

We have audited the accompanying financial statements of the Chetopa – St. Paul Unified School District #505, Chetopa, Kansas, as of June 30, 2010, and for the year then ended. These financial statements are the responsibility of Chetopa – St. Paul Unified School District #505 management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in **Government Auditing Standards** issued by the Comptroller General of the United States, and the **Kansas Municipal Audit Guide**. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Chetopa – St. Paul Unified School District #505, Chetopa, Kansas, as of June 30, 2010, or the results of its operations, for the fiscal year then ended. Further, the District has not presented managements' discussion and analysis that has been determined under accounting principles generally accepted in the United States as necessary to supplement, although not required to be a part of, the basic financial statements.

Board of Education
Chetopa – St. Paul Unified School District #505
Chetopa, Kansas

Also, in our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of the Chetopa – St. Paul Unified School District #505, as of June 30, 2010, and its cash receipts, cash disbursements, and expenditures compared to budget, for the year then ended, on the basis of accounting described in Note 1.

In accordance with **Government Auditing Standards**, we have also issued reports dated November 15, 2010, on our consideration of the District's internal control structure and on its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the District. The accompanying Schedule of Expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is also not a required part of the financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds taken as a whole.

Diehl Banwart Bolton CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

November 15, 2010
Pittsburg, Kansas

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2010

Funds	Beginning Unencumbered Cash Balances	Prior Year Cancelled Encumbrance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Cash Balances June 30, 2010
GOVERNMENTAL TYPE FUNDS							
General Fund	(\$609,857)	-	\$4,192,481	\$4,106,888	(\$524,264)	\$116,832	(\$407,432)
Special Revenue Funds							
Supplemental General	(118,625)	-	1,424,526	1,436,798	(130,897)	109,110	(21,787)
4 Yr Old At Risk	15,000	-	62,000	31,977	45,023	-	45,023
K -12 At Risk	10,402	-	520,000	497,708	32,694	8,097	40,790
Virtual Education	-	-	65,000	44,822	20,178	-	20,178
Capital Outlay	784,029	205	337,497	182,967	938,764	44,549	983,313
Driver Education	33,855	-	13,941	8,236	39,560	838	40,398
Food Service	97,091	505	288,479	271,004	115,071	16,165	131,235
Professional Development	37,202	1,658	30,000	18,247	50,613	6,062	56,675
Summer School	30,228	-	-	-	30,228	-	30,228
Special Education	179,640	-	650,238	601,550	228,328	778	229,107
Vocational Education	41,536	110	130,000	110,819	60,827	3,513	64,340
KPERS Special Retirement	-	-	243,755	243,755	-	-	-
Contingency Reserve	449,416	-	-	-	449,416	-	449,416
Textbook	92,756	-	34,578	15,682	111,651	2,364	114,015
Title I	-	-	216,361	216,361	-	5,426	5,426
Title IID	-	-	5,511	2,131	3,380	-	3,380
Rural Grant	-	-	31,085	31,085	-	-	-
Title IIA	-	-	24,444	24,444	-	16,515	16,515
TRC Grant	-	-	80,000	79,732	268	6,798	7,066
Title IV	-	-	2,662	2,662	-	2,515	2,515
Mini-grants	4,529	-	2,000	1,348	5,181	-	5,181
District Activity Funds	5,625	-	77,834	80,201	3,259	-	3,259
Debt Service Funds							
Bond and Interest	229,691	-	451,405	400,225	280,871	-	280,871
Capital Projects Fund	638,173	-	161,970	760,618	39,525	325,361	364,885
Fiduciary Type Funds							
Aptus Grant	378	-	-	-	378	-	378
Lessley Scholarship	6,785	-	15,000	16,464	5,320	-	5,320
Total Reporting Entity	\$1,927,854	\$2,478	\$9,060,766	\$9,185,724	\$1,805,374	\$664,922	\$2,470,295

The notes to the financial statements are an integral part of this statement.

Statement 1 (Continued)

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2010

	Cash Balances June 30, 2010
Composition of Cash	
District Checking Accounts.....	\$2,460,947
Activity Checking Accounts.....	58,494
Certificates of Deposit.....	15,820
Petty Cash.....	298
Total Cash	2,535,559
Agency Funds per Statement 4	(65,264)
Total Reporting Entity.....	<u>\$2,470,295</u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

Summary of Expenditures - Actual and Budget (Budgeted Funds Only)
For the Fiscal Year Ended June 30, 2010

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Favorable (Unfavorable)
					Charged to Current Year Budget		
GOVERNMENTAL TYPE FUNDS							
General Fund	\$4,491,326	(\$401,092)	\$16,654	\$4,106,888	\$4,106,888		-
Special Revenue Funds							
Supplemental General	1,404,627	(30,455)	62,626	1,436,798	1,436,798		-
4 Yr Old At Risk	35,000	-	-	35,000	31,977		3,023
K -12 At Risk	590,402	-	-	590,402	497,708		92,694
Virtual Education	55,000	-	-	55,000	44,822		10,178
Capital Outlay	833,331	-	-	833,331	182,967		650,364
Driver Education	45,755	-	-	45,755	8,236		37,519
Food Service	447,791	-	-	447,791	271,004		176,787
Professional Development	57,202	-	-	57,202	18,247		38,955
Summer School	30,228	-	-	30,228	-		30,228
Special Education	989,640	-	-	989,640	601,550		388,090
Vocational Education	131,536	-	-	131,536	110,819		20,717
KPERS Special Retirement	276,744	-	-	276,744	243,755		32,989
Debt Service Funds							
Bond and Interest	400,276	-	-	400,276	400,225		51
	\$9,788,858						

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
GENERAL FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance -
	Actual	Budget	Favorable (Unfavorable)
Cash Receipts			
Local Sources			
Ad valorem tax	\$210,440	\$195,844	\$14,596
Delinquent tax	4,813	6,509	(1,696)
Mineral tax	307	-	307
Reimbursement	16,654	-	16,654
State Sources			
General aid	3,177,335	3,544,354	(367,019)
Special ed aid	586,314	548,000	38,314
Federal Sources			
ARRA Stabilization	196,619	196,619	-
Total Cash Receipts	<u>4,192,481</u>	<u>\$4,491,326</u>	<u>(\$298,845)</u>
Expenditures			
Instruction	1,748,209	\$1,960,065	\$211,856
Support Services			
Student Support	129,988	135,500	5,512
Instructional Support	136,138	149,500	13,362
General Administration	122,712	129,500	6,788
School Administration	87,083	52,000	(35,083)
Operations and Maintenance	526,227	539,500	13,273
Transportation	136,091	150,000	13,909
Other Supplemental Service	94,936	140,261	45,325
Operating transfers to:			
Vocational Education	25,000	40,000	15,000
Capital Outlay	106,504	-	(106,504)
Food Service	-	-	-
Professional Development	-	-	-
Special Education	432,000	560,000	128,000
4 Yr Old At Risk	17,000	20,000	3,000
K-12 At Risk	500,000	580,000	80,000
Contingency Reserve	-	-	-
Virtual Education	45,000	35,000	(10,000)
Adjustments to Budget For:			
Legal Max Budget Adjustment		(401,092)	(401,092)
Reimbursed Expenses	-	16,654	16,654
Total Expenditures	<u>4,106,888</u>	<u>\$4,106,888</u>	<u>-</u>
Subject to Budget			
Receipts Over (Under) Expenditures	85,593		
Unencumbered Cash, Beginning	<u>(609,857)</u>		
Unencumbered Cash, Ending	<u>(\$524,264)</u>		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
SUPPLEMENTAL GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance -
	Actual	Budget	Favorable (Unfavorable)
Cash Receipts			
Local Sources			
Ad Valorem	\$374,369	\$339,619	\$34,750
Delinquent tax	9,353	8,033	1,320
Motor vehicle tax	56,464	53,350	3,114
Reimbursements	62,626	53,350	9,276
State Sources			
Supplemental aid	686,587	955,582	(268,995)
Federal Sources			
ARRA Stabilization	235,127	-	235,127
Total Cash Receipts	<u>1,424,526</u>	<u>\$1,409,934</u>	<u>\$14,592</u>
Expenditures			
Instruction	538,895	623,627	\$84,732
Support Services			
Student Support	401	500	99
Instructional Support	3,637	12,000	8,363
General Administration	134,887	190,000	55,113
School Administration	164,954	168,500	3,546
Operations & Maintenance	28,209	-	(28,209)
Transportation	-	-	-
Other Supplemental Services	49,668	-	(49,668)
Operating Transfers to Other Funds			
Professional Development	30,000	20,000	(10,000)
Virtual Education	20,000	-	(20,000)
Summer School	-	-	-
Food Service	40,000	65,000	25,000
Special Education	216,148	250,000	33,852
Textbook Rental	30,000	15,000	(15,000)
Drivers Education	10,000	10,000	-
4 Yr Old At Risk	45,000	-	(45,000)
K - 12 At Risk	20,000	-	(20,000)
Vocational Education	105,000	50,000	(55,000)
Adjustments to Budget For:			
Legal Max Budget Adjustment		(30,455)	(30,455)
Reimbursed Expenses		62,626	62,626
Total Expenditures	<u>1,436,798</u>	<u>\$1,436,798</u>	<u>-</u>
Subject to Budget			
Receipts Over (Under) Expenditures	(12,272)		
Unencumbered Cash, Beginning	<u>(118,625)</u>		
Unencumbered Cash, Ending	<u>(\$130,897)</u>		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
4 YEAR OLD AT RISK FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Interest	-	-	-
Operating Transfers from Other Funds			
Supplemental General	45,000	-	45,000
General	17,000	20,000	(3,000)
Total Cash Receipts	62,000	\$20,000	\$42,000
Expenditures			
Instructional Support	31,977	\$35,000	\$3,023
Total Expenditures	31,977	\$35,000	\$3,023
Receipts Over (Under) Expenditures	30,023		
Unencumbered Cash, Beginning	15,000		
Unencumbered Cash, Ending	\$45,023		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
K - 12 AT RISK FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Miscellaneous	-	-	-
Operating Transfers from Other Funds			
General	500,000	580,000	(80,000)
Supplemental General	20,000	-	20,000
Total Cash Receipts	520,000	\$580,000	(\$60,000)
Expenditures			
Instruction	496,195	\$585,000	\$88,805
Instructional Support	1,513	5,402	3,889
Total Expenditures	497,708	\$590,402	\$92,694
Receipts Over (Under) Expenditures	22,292		
Unencumbered Cash, Beginning	10,402		
Unencumbered Cash, Ending	\$32,694		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
VIRTUAL EDUCATION FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Operating Transfers from Other Funds			
General	\$45,000	\$35,000	\$10,000
Supplemental General	20,000	-	20,000
Total Cash Receipts	65,000	\$35,000	\$30,000
Expenditures			
Instruction	44,822	\$55,000	\$10,178
Total Expenditures	44,822	\$55,000	\$10,178
Receipts Over (Under) Expenditures	20,178		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	\$20,178		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
CAPITAL OUTLAY FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Ad valorem tax	\$38,784	\$37,215	\$1,569
Delinquent tax	1,717	1,586	131
Motor vehicle tax	11,085	10,501	584
Interest on idle funds	4,583	-	4,583
Other	174,824	-	174,824
State Sources			
State Aid	-	-	-
Operating Transfer from General Fund	106,504	-	106,504
Total Cash Receipts	<u>337,497</u>	<u>\$49,302</u>	<u>\$288,195</u>
Expenditures			
Instruction	15,541	\$58,331	\$42,790
Support Services	47,069	350,000	302,931
Facility Acquisition	120,357	425,000	304,643
Total Expenditures	<u>182,967</u>	<u>\$833,331</u>	<u>\$650,364</u>
Receipts Over (Under) Expenditures	154,530		
Unencumbered Cash, Beginning	784,029		
Prior Year Cancelled Encumbrances	<u>205</u>		
Unencumbered Cash, Ending	<u>\$938,764</u>		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
DRIVER EDUCATION FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Other	\$2,041	-	\$2,041
State Sources			
State aid	1,900	1,900	-
Operating Transfer from Supplemental General Fund	10,000	10,000	-
Total Cash Receipts	13,941	\$11,900	\$2,041
Expenditures			
Instruction	7,398	\$42,755	\$35,357
Support Services			
Operations and Maintenance	838	3,000	2,162
Total Expenditures	8,236	\$45,755	\$37,519
Receipts Over (Under) Expenditures	5,705		
Unencumbered Cash, Beginning	33,855		
Unencumbered Cash, Ending	\$39,560		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
FOOD SERVICE FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance -
	Actual	Budget	Favorable (Unfavorable)
Cash Receipts			
Local Sources			
Students	\$48,512	\$65,175	(\$16,663)
Adults	5,725	9,450	(3,725)
Other	1,296	-	1,296
Interest on Idle Funds	-	-	-
State Sources			
Food service aid	2,848	3,916	(1,068)
Federal Sources			
Child nutrition aid	180,602	207,159	(26,557)
Equipment grant	9,495	-	9,495
Operating Transfer from Other Funds			
General	-	-	-
Supplemental General	40,000	65,000	(25,000)
Total Cash Receipts	288,479	\$350,700	(\$62,221)
Expenditures			
Support Services			
Operations and Maintenance	-	-	-
Operation of Non-Instructional Services			
Food Service Operations	271,004	447,791	176,787
Total Expenditures	271,004	\$447,791	\$176,787
Receipts Over (Under) Expenditures	17,474		
Unencumbered Cash, Beginning	97,091		
Prior Year Cancelled Encumbrance	505		
Unencumbered Cash, Ending	\$115,071		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
PROFESSIONAL DEVELOPMENT FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Other	-	-	-
State Sources			
State Aid	-	-	-
Operating Transfer from			
General Fund	-	-	-
Supplemental General	30,000	20,000	10,000
Total Cash Receipts	30,000	\$20,000	\$10,000
Expenditures			
Support Services			
Instructional Support Staff	18,247	\$57,202	\$38,955
Total Expenditures	18,247	\$57,202	\$38,955
Receipts Over (Under) Expenditures	11,753		
Unencumbered Cash, Beginning	37,202		
Prior Year Cancelled Encumbrance	1,658		
Unencumbered Cash, Ending	\$50,613		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
SUMMER SCHOOL FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Operating transfers from			
Supplemental General Fund	-	-	-
Total Cash Receipts	-	-	-
Expenditures			
Instruction	-	30,228	30,228
Total Expenditures	-	\$30,228	\$30,228
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	30,228		
Unencumbered Cash, Ending	\$30,228		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
SPECIAL EDUCATION FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Other	\$2,090	-	\$2,090
Operating Transfers from Other Funds			
General	432,000	560,000	(128,000)
Supplemental General	216,148	250,000	(33,852)
Total Cash Receipts	<u>650,238</u>	<u>\$810,000</u>	<u>(\$159,762)</u>
Expenditures			
Instruction	572,360	\$888,140	\$315,780
Support Services			
Transportation	29,189	101,500	72,311
Total Expenditures	<u>601,550</u>	<u>\$989,640</u>	<u>\$388,090</u>
Receipts Over (Under) Expenditures	48,688		
Unencumbered Cash, Beginning	<u>179,640</u>		
Unencumbered Cash, Ending	<u>\$228,328</u>		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
VOCATIONAL EDUCATION FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Miscellaneous Receipts	-	-	-
Operating Transfer from			
Supplemental General	105,000	50,000	55,000
General Fund	25,000	40,000	(15,000)
Total Cash Receipts	130,000	\$90,000	\$40,000
Expenditures			
Instruction	110,819	\$131,536	\$20,717
Total Expenditures	110,819	\$131,536	\$20,717
Receipts Over (Under) Expenditures	19,181		
Unencumbered Cash, Beginning	41,536		
Prior Year Cancelled Encumbrance	110		
Unencumbered Cash, Ending	\$60,827		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
KPERS SPECIAL RETIREMENT FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
State Sources			
State Aid	\$243,755	\$276,744	(\$32,989)
Total Cash Receipts	243,755	\$276,744	(\$32,989)
Expenditures			
Instruction	181,467	\$213,744	\$32,277
Student Support	6,112	6,000	(112)
Instructional Support	10,988	10,000	(988)
General Administration	6,112	6,500	388
School Administration	10,988	12,000	1,012
Other Supplemental Services	3,675	2,500	(1,175)
Operations & Maintenance	9,750	12,000	2,250
Student Transportation Services	7,313	8,000	687
Food Service	7,350	6,000	(1,350)
Total Expenditures	243,755	\$276,744	\$32,989
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	-		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
CONTINGENCY RESERVE FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	<u>Current Year Actual</u>
Cash Receipts	
Operating Transfer from General Fund	<u>-</u>
Total Cash Receipts	<u>-</u>
Expenditures	
Instruction	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>449,416</u>
Unencumbered Cash, Ending	<u><u>\$449,416</u></u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TEXTBOOK RENTAL

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	<u>Current Year Actual</u>
Cash Receipts	
Local Sources	
Textbook Rental	\$4,578
Operating transfers from	
Supplemental General Fund	<u>30,000</u>
Total Cash Receipts	<u>34,578</u>
Expenditures	
Instruction	<u>15,682</u>
Total Expenditures	<u>15,682</u>
Receipts Over (Under) Expenditures	18,895
Unencumbered Cash, Beginning	92,756
Prior Year Cancelled Encumbrance	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$111,651</u></u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TITLE I FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	Current Year Actual
Cash Receipts	
Federal Sources	
Federal aid	\$173,582
ARRA federal aid	42,779
Total Cash Receipts	216,361
Expenditures	
Instruction	216,361
General Administration	-
Total Expenditures	216,361
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	-

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TITLE IID FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	<u>Current Year Actual</u>
Cash Receipts	
Federal Sources	
Federal aid	\$1,593
ARRA federal aid	<u>3,918</u>
Total Cash Receipts	<u>5,511</u>
Expenditures	
Instruction	2,131
General Administration	<u>-</u>
Total Expenditures	<u>2,131</u>
Receipts Over (Under) Expenditures	3,380
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$3,380</u></u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
RURAL GRANT

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	<u>Current Year Actual</u>
Cash Receipts	
Federal Sources	
Federal aid	<u>\$31,085</u>
Total Cash Receipts	<u>31,085</u>
Expenditures	
Instruction	<u>31,085</u>
	<u>-</u>
Total Expenditures	<u>31,085</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TITLE II A FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	<u>Current Year Actual</u>
Cash Receipts	
Federal Sources	
Federal aid	<u>\$24,444</u>
Total Cash Receipts	<u>24,444</u>
Expenditures	
Instruction	<u>24,444</u>
Total Expenditures	<u>24,444</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TRC GRANT

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	<u>Current Year Actual</u>
Cash Receipts	
Federal Sources	
ARRA federal aid	<u>\$80,000</u>
Total Cash Receipts	<u>80,000</u>
Expenditures	
Instruction	<u>79,732</u>
Total Expenditures	<u>79,732</u>
Receipts Over (Under) Expenditures	268
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$268</u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TITLE IV

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	<u>Current Year Actual</u>
Cash Receipts	
Federal Sources	
Federal aid	<u>\$2,662</u>
Total Cash Receipts	<u>2,662</u>
Expenditures	
Instruction	<u>2,662</u>
Total Expenditures	<u>2,662</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
MINI-GRANTS

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	<u>Current Year Actual</u>
Cash Receipts	
Local Sources	
Grants	<u>\$2,000</u>
Total Cash Receipts	<u>2,000</u>
Expenditures	
Instruction	<u>1,348</u>
Total Expenditures	<u>1,348</u>
Receipts Over (Under) Expenditures	652
Unencumbered Cash, Beginning	<u>4,529</u>
Unencumbered Cash, Ending	<u><u>\$5,181</u></u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
BOND AND INTEREST FUND

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Ad valorem tax	\$82,603	\$79,263	\$3,340
Delinquent tax	3,142	4,243	(1,101)
Motor vehicle tax	28,529	27,303	1,226
Interest	80,000	-	(80,000)
Other	25,000	-	(25,000)
State Sources			
State aid	232,131	232,131	-
Total Cash Receipts	451,405	\$342,940	(\$101,535)
Expenditures			
Debt Service			
Principal	-	-	-
Interest	400,225	400,226	1
Other	-	50	50
Total Expenditures	400,225	\$400,276	\$51
Receipts Over (Under) Expenditures	51,180		
Unencumbered Cash, Beginning	229,691		
Unencumbered Cash, Ending	\$280,871		

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
CAPITAL PROJECTS

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	Current Year Actual
Cash Receipts	
Local Sources	
Interest on idle funds	-
Reimbursements	\$161,970
Total Cash Receipts	161,970
Expenditures	
Instruction	127,884
Construction	350,309
Repair/Remodel Buildings	282,425
Total Expenditures	760,618
Receipts Over (Under) Expenditures	(598,648)
Unencumbered Cash, Beginning	638,173
Unencumbered Cash, Ending	\$39,525

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
APTUS GRANT

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	Current Year Actual
Cash Receipts	
Local Sources	
Miscellaneous	-
Total Cash Receipts	-
Expenditures	
Bond Principal	-
Total Expenditures	-
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	378
Unencumbered Cash, Ending	<u>\$378</u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505

CHETOPA, KANSAS

LESSLEY SCHOLARSHIP FUND

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2010

	<u>Current Year Actual</u>
Cash Receipts	
Local Sources	
Donations	15,000
Interest	-
	<u> </u>
Total Cash Receipts	<u>15,000</u>
 Expenditures	
Scholarships	<u>16,464</u>
	<u> </u>
Total Expenditures	<u>16,464</u>
 Receipts Over (Under) Expenditures	(1,464)
 Unencumbered Cash, Beginning	<u>6,785</u>
 Unencumbered Cash, Ending	<u><u>\$5,320</u></u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
AGENCY FUNDS

Statement of Cash Receipts and Cash Disbursements
For the Fiscal Year Ended June 30, 2010

	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
Student Organizations				
Chetopa High School	\$27,116	\$61,192	\$61,191	\$27,118
St Paul High School	39,286	63,882	65,022	38,147
Totals	<u>\$66,402</u>	<u>\$125,075</u>	<u>\$126,213</u>	<u>\$65,264</u>

The notes to the financial statements are an integral part of this statement.

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
DISTRICT ACTIVITY FUNDS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2010

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Cash Balances June 30, 2010
Chetopa High School	\$5,625	\$19,797	\$22,164	\$3,259	-	\$3,259
St Paul High School	-	58,037	58,037	-	-	-
Total Gate Receipts	5,625	77,834	80,201	3,259	-	3,259
Totals	\$5,625	\$77,834	\$80,201	\$3,259	-	\$3,259

The notes to the financial statements are an integral part of this statement.

CHETOPA – ST. PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Chetopa – St. Paul Unified School District #505, Chetopa, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting policies generally accepted in the United States of America.

Reporting Entity

The district is a municipal corporation governed by an elected seven-member board. These financial statements present Chetopa – St. Paul Unified School District #505 (the primary government). The District has developed criteria to determine whether outside agencies, with activities which benefit the members of the District, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises financial accountability, selection of governing authority, designation of management, ability to significantly influence operations, scope of public service and special financing relationships. Based on the above criteria, the District has determined that no outside agency meets the criteria; therefore, no outside agency has been included as a component unit in these financial statements.

Basis of Presentation - Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the Chetopa – St. Paul Unified School District #505:

GOVERNMENTAL FUNDS

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Funds - to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligations of the District.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation - Fund Accounting - (Continued)

Governmental Funds - Continued

Capital Projects Fund – to account for major construction projects which are financed by the issuance of bonds by the District.

FIDUCIARY FUNDS

Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Basis of Presentation - Statutory Basis Financial Statements

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, and are usually evidenced by a purchase order or written contract.

The District has obtained a waiver from accounting principles generally accepted in the United States of America, which allows the District to revert to the statutory basis of accounting.

Departures From Accounting Principles Generally Accepted in the United States of America

The basis of presentation described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue, principal and interest payable and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. General fixed assets that account for the land, building and equipment owned by the District are not recorded in the financial statements.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute) and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)
Budgetary Information (Continued)

1. Preparation of the budget for the succeeding fiscal year on or before August 1.
2. Publication in the local newspaper of the proposed budget and a notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after the publication of a notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District amended its Virtual Fund budget on February 10, 2010. The General Fund and Supplemental General Fund budget were reduced to the legal maximum by the Kansas Department of Education.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of the district for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds.

Spending in funds, which are not subject to the legal annual operating budget requirement, is controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body.

Cash and Investments

Cash and investments include money market checking accounts, certificates of deposit, and repurchase agreements. Kansas statutes permit investment in savings accounts, certificates of deposit, repurchase agreements, and obligations of the U.S. Treasury.

Compensated Absences

Full-time non-certified employees are eligible for vacation benefits ranging from 10 to 20 days a year. Employees are not allowed to accumulate and carry forward vacation benefits past their anniversary date.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)
Compensated Absences (Continued)

Employees can accrue from 10 to 12 days of sick leave each year. Up to 80 days of unused sick time may be accumulated and carried over. Upon retirement certified staff with more than 5 years experience with the District are paid for accumulated sick leave at the rate of ranging from 25-100% of the substitute teacher pay rate based upon their years of service to the District. The current substitute rate is \$78 per day.

The District accrues a liability for compensated absences which meet the following criteria:

1. The District's obligation relating to the employee's right to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria the District has not determined a liability for vacation or sick pay.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Kansas Statutes

Statements 1 and 2 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As these statements show, there were no apparent violations of the cash basis and budget laws of Kansas. The apparent cash basis violation in the general and supplemental general funds is not an actual violation and is discussed further in Note 12.

3. **CASH IN BANK AND DEPOSITORY SECURITY**

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

3. CASH IN BANK AND DEPOSITORY SECURITY (Continued)

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2010, as detailed in the table below.

At June 30, 2010 the District's carrying amount of deposits was \$2,535,559 and the bank balance was \$3,286,855. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$3,286,855 was covered by federal depository insurance.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

FINANCIAL INSTITUTIONS

<u>RISK CATEGORIES</u>	<u>CHETOPA STATE BANK</u>	<u>EXCHANGE STATE BANK</u>	<u>TOTALS</u>
(1) FDIC Insurance	\$ 3,244,698	\$ 42,157	\$ 3,286,855
(1) Collateralized with pledged securities held in the District's account	-	-	-
(2) Collateralized with pledged securities in Bank's account	-	-	-
(3) Uncollateralized	-	-	-
TOTAL BANK BALANCES	\$ 3,244,698	\$ 42,157	\$ 3,286,855
Total Pledged Securities	\$ -	\$ -	\$ -

4. **PENSION PLAN**

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for employees hired before July 1, 2009. For employees hired after that date, the employee contribution rate is 6% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. State law sets a limitation on annual increases in the contribution rates. For fiscal year ended June 30, 2010 the State of Kansas contributes 8.57% of covered payroll. Kansas' contributions to KPERS for school municipality employees for the years ending June 30, 2010, 2009, and 2008 were \$248,468,186, \$242,277,363, and \$220,815,154, respectively, equal to the statutory required contributions for each year.

5. **RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The District continues to carry commercial insurance for these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

6. **CONTINGENCIES**

In the normal course of operations, the District participates in various federal or state grant programs from year to year. The grant programs are often subject to additional audits by agents of the grant agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

7. **TRANSFERS**

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	Special Education	KSA 72-6420	\$ 432,000
General	Capital Outlay	KSA 72-8803	106,504
General	4 Yr Old At Risk	KSA 72-6414b	17,000
General	K-12 At Risk	KSA 72-6414a	500,000
General	Virtual Education	KSA 72-8250	45,000
General	Vocational Education	KSA 72-6421	25,000
Supplemental General	Professional Development	KSA 72-9609	30,000

7. **TRANSFERS** (Continued)

FROM	TO	STATUTORY AUTHORITY	AMOUNT
Supplemental General	Food Service	KSA 72-6424	40,000
Supplemental General	Special Education	KSA 72-6420	216,148
Supplemental General	4 Yr Old At Risk	KSA 72-6414b	45,000
Supplemental General	K-12 At Risk	KSA 72-6414a	20,000
Supplemental General	Vocational Ed	KSA 72-6421	105,000
Supplemental General	Textbook Rental	KSA 72-6421	30,000
Supplemental General	Drivers Education	KSA 72-6426	10,000
Supplemental General	Virtual Education	KSA 72-6421	20,000

8. **POST EMPLOYMENT BENEFITS**

Participation in Group Health Insurance Plan

As provided by K.S.A. 12-5050, the District allows retirees to participate in the group health insurance plan until they reach age 65. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

9. **AMENDED BUDGETS**

The Virtual Fund Budget was amended on February 10, 2010 to increase the allowable expenditures. The original budget and amended amounts are shown below:

	Original Budget	Amount Changed	Amended Budget
Virtual Fund			
Instruction	\$ 35,000	\$ 20,000	\$ 55,000

10. **SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date of the Independent Auditors' Report as shown on page 2 of these financial statements. There are no subsequent events recognized in these financial statements or disclosed in the notes to the financial statements.

11. LONG TERM DEBT OBLIGATIONS

Attached are schedules detailing the long-term debt and its matu

Schedule of Changes in Long-Term Debt

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances		New Debt	Reductions /		Balances End of Year	Interest Paid
					Beginning of Year			Principal			
General Obligation Refunding Bonds Series 2007	4.375-4.75%	8/15/2007	\$8,500,000	10/1/2037	\$8,500,000	\$	-	\$	-	\$8,500,000	\$400,225
Qualified Zone Academy Bonds	0.00%	10/1/2003	949,355	10/1/2013	474,675	-	-	94,935	-	379,740	-
					<u>\$8,974,675</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>94,935</u>	<u>\$8,879,740</u>	<u>\$400,225</u>

11. LONG TERM DEBT OBLIGATIONS (Continued)

Schedule of Maturities in Long-Term Debt

	2011	2012	2013	2014	2015	2016-2020	2021-2025	2026-2030	2031-2035	2036-2040	Totals
PRINCIPAL											
General Obligation Bonds											
Series 2007	\$ 50,000	\$ 75,000	\$ 80,000	\$ 100,000	\$ 100,000	\$ 390,000	\$ 1,220,000	\$ 1,240,000	\$ 2,180,000	\$ 3,065,000	\$ 8,500,000
Qualified Zone Academy Bonds	94,935	94,935	94,935	94,935	-	-	-	-	-	-	379,740
Total Principal	144,935	169,935	174,935	194,935	100,000	390,000	1,220,000	1,240,000	2,180,000	3,065,000	8,879,740
INTEREST											
General Obligation Refunding											
Series 2007	399,131	396,397	393,006	389,069	384,694	1,855,484	1,667,488	1,338,788	986,813	363,969	8,174,839
Qualified Zone Academy Bonds	-	-	-	-	-	-	-	-	-	-	-
Total Interest	399,131	396,397	393,006	389,069	384,694	1,855,484	1,667,488	1,338,788	986,813	363,969	8,174,839
Total Principal and Interest	\$ 544,066	\$ 566,332	\$ 567,941	\$ 584,004	\$ 484,694	\$ 2,245,484	\$ 2,887,488	\$ 2,578,788	\$ 3,166,813	\$ 3,428,969	\$ 17,054,579

12. COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require school districts, to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these statutes.

NOTE 12 CONTINUED

GENERAL FUND

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Statutory	Budget	
Cash Receipts			
Local Sources			
Ad valorem tax	\$210,440	\$195,844	\$14,596
Delinquent tax	4,813	6,509	(1,696)
Mineral tax	307	-	307
Other	16,654	-	16,654
State Sources			
General aid	3,247,355	3,544,354	(296,999)
Special ed aid	431,182	548,000	(116,818)
Federal Sources			
ARRA Stabilization	196,619	196,619	-
Total Cash Receipts	<u>4,107,369</u>	<u>\$4,491,326</u>	<u>(\$383,957)</u>
Expenditures			
Instruction	1,748,209	\$1,960,065	\$211,856
Support Services			
Student Support	129,988	135,500	5,512
Instructional Support	136,138	149,500	13,362
General Administration	122,712	129,500	6,788
School Administration	87,083	52,000	(35,083)
Operations and Maintenance	526,227	539,500	13,273
Transportation	136,091	150,000	13,909
Other Supplemental Service	94,936	140,261	45,325
Operating transfers to:			
Vocational Education	25,000	40,000	15,000
Capital Outlay	106,504	-	(106,504)
Food Service	-	-	-
Professional Development	-	-	-
Special Education	432,000	560,000	128,000
4 Yr Old At Risk	17,000	20,000	3,000
K-12 At Risk	500,000	580,000	80,000
Contingency Reserve	-	-	-
Virtual Education	45,000	35,000	(10,000)
Adjustments to Budget For:			
Legal Max Budget Adjustment	-	(401,092)	(401,092)
Reimbursed Expenses	-	16,654	16,654
Total Expenditures			
Subject to Budget	<u>4,106,888</u>	<u>\$4,106,888</u>	<u>-</u>
Receipts Over (Under) Expenditures	481		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$481</u>		

NOTE 12 CONTINUED

SUPPLEMENTAL GENERAL FUND

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

For the Fiscal Year Ended June 30, 2010

	Current Year		Variance - Favorable (Unfavorable)
	Statutory	Budget	
Cash Receipts			
Local Sources			
Ad Valorem	\$374,369	\$339,619	\$34,750
Delinquent tax	9,353	8,033	1,320
Motor vehicle tax	56,464	53,350	3,114
Reimbursements	62,626	53,350	9,276
State Sources		-	
Supplemental aid	695,100	955,582	(260,482)
Federal Sources			
ARRA Stabilization	235,127	-	235,127
Total Cash Receipts	1,433,039	\$1,409,934	\$23,105
Expenditures			
Instruction	538,895	\$623,627	\$84,732
Support Services			
Student Support	401	500	99
Instructional Support	3,637	12,000	8,363
General Administration	134,887	190,000	55,113
School Administration	164,954	168,500	3,546
Operations & Management	28,209	-	(28,209)
Transportation	-	-	-
Other Supplemental Services	49,668	-	(49,668)
Operating Transfers to Other Funds			
Professional Development	30,000	20,000	(10,000)
Virtual Education	20,000	-	(20,000)
Summer School	-	-	-
Food Service	40,000	65,000	25,000
Special Education	216,148	250,000	33,852
Textbook Rental	30,000	15,000	(15,000)
Drivers Education	10,000	10,000	-
4 Yr Old At Risk	45,000	-	(45,000)
K - 12 At Risk	20,000	-	(20,000)
Vocational Education	105,000	50,000	(55,000)
Adjustments to Budget For:			
Legal Max Budget Adjustment		(30,455)	(30,455)
Reimbursed Expenses		62,626	62,626
Total Expenditures			
Subject to Budget	1,436,798	\$1,436,798	-
Receipts Over (Under) Expenditures	(3,759)		
Unencumbered Cash, Beginning	48,043		
Unencumbered Cash, Ending	\$44,284		

SUPPLEMENTAL INFORMATION

CHETOPA - ST. PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
CHETOPA HIGH SCHOOL ACTIVITY FUND
Schedule of Cash Receipts, Cash Disbursements and Cash Balances
For the Fiscal Year Ended June 30, 2010

	Beginning Cash Balances	Cash Receipts and Transfers	Cash Disbursements and Transfers	Ending Cash Balances
<u>Student Activity Funds</u>				
Autograph Club	\$404.38	-	-	\$404.38
Spanish	430.47	88.78	-	519.25
College Book Fund	-	350.00	182.45	167.55
Class of '09	1,616.46	3,305.62	4,323.72	598.36
Class of '10	4,342.00	4,483.59	8,243.24	582.35
Class of '11	1,475.71	7,558.96	6,405.35	2,629.32
Class of '12	1,742.18	134.37	960.87	915.68
Class of '13	984.89	138.35	64.50	1,058.74
Junior High Cheerleaders	386.45	1,097.48	475.22	1,008.71
HS Cheerleaders	13.90	1,494.40	753.12	755.18
Pep Club	496.94	-	-	496.94
Yearbook	4,615.71	4,136.03	4,914.93	3,836.81
FCCLA	497.41	202.78	402.60	297.59
Shop	-	248.70	13.36	235.34
Music	637.42	426.50	460.78	603.14
STUCO	182.10	3,390.10	2,456.49	1,115.71
Drama	-	197.00	197.00	-
FFA	5,472.91	27,785.38	25,670.87	7,587.42
General	(25.37)	3,994.07	3,568.70	400.00
Science Club	321.56	88.78	46.25	364.09
Elementary Book Fund	510.22	-	100.00	410.22
Staff Coffee Club	73.60	472.70	546.30	-
Varsity Club	425.48	-	-	425.48
National Honor Society	396.09	1,420.03	1,074.80	741.32
After School Program Fundraising	1,991.82	-	161.54	1,830.28
FBLA	123.98	178.78	169.00	133.76
Totals - Cash Basis	27,116.31	61,192.40	61,191.09	27,117.62
<u>District Activity Funds</u>				
Activity Fees	2,643.76	2,478.39	2,342.50	2,779.65
Scholars Bowl	24.31	877.27	901.58	-
Lunch Account	-	128.30	128.30	-
Athletics	2,957.11	16,313.13	18,791.38	478.86
Total - Cash Basis	5,625.18	19,797.09	22,163.76	3,258.51
GRAND TOTALS (MEMORANDUM ONLY)	\$32,741.49	\$80,989.49	\$83,354.85	\$30,376.13

CHETOPA - ST. PAUL UNIFIED SCHOOL DISTRICT #505**CHETOPA, KANSAS****ST. PAUL HIGH SCHOOL ACTIVITY FUND**

Schedule of Cash Receipts, Cash Disbursements and Cash Balances

For the Fiscal Year Ended June 30, 2010

	Beginning Cash Balances	Cash Receipts and Transfers	Cash Disbursements and Transfers	Ending Cash Balances
<u>Student Activity Funds</u>				
Student Organizations				
Student Activity	\$237.96	\$1,017.14	\$1,083.31	\$171.79
Band	116.48	524.00	181.96	458.52
Teacher Fund	30.63	-	-	30.63
Scholarship	19,387.25	6,284.23	6,327.48	19,344.00
Kidz	1,176.54	500.00	329.55	1,346.99
Book Fair	361.45	304.75	120.19	546.01
Elementary library book fund	257.08	205.00	306.69	155.39
Elem. Teacher fund	1,594.92	5,227.62	6,195.59	626.95
SFA Books	0.37	-	-	0.37
Weight Room	35.40	-	-	35.40
JH Prep	397.14	251.22	269.49	378.87
HS Prep	299.49	570.00	857.01	12.48
STUCO	381.42	2,483.27	1,192.19	1,672.50
FBLA	1,989.28	1,772.28	1,399.84	2,361.72
Stand	36.00	-	-	36.00
Forensics	100.00	292.06	322.81	69.25
Counselor	27.02	-	27.02	-
NHS	-	-	-	-
FFA	-	1,147.62	1,147.62	-
Vo-Ag	3,958.99	13,870.36	14,791.44	3,037.91
Sales Tax	-	1,643.08	1,643.08	-
Class of '10	1,211.29	-	1,211.29	-
Class of '11	2,868.51	6,862.97	8,723.25	1,008.23
Class of '12	3,406.00	-	-	3,406.00
Class of '13	1,380.36	3,719.68	1,692.10	3,407.94
Class of '14	-	4,099.00	4,059.30	39.70
Annual	32.45	13,108.01	13,140.46	0.00
Total - Cash Basis	39,286.03	63,882.29	65,021.67	38,146.65
<u>District Activity Funds</u>				
Lunch	-	35,020.24	35,020.24	-
Textbooks	-	7,685.50	7,685.50	-
Athletics	-	15,331.16	15,331.16	-
Totals - Cash Basis	-	58,036.90	58,036.90	-
 GRAND TOTALS				
(MEMORANDUM ONLY)	\$39,286.03	\$121,919.19	\$123,058.57	\$38,146.65

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT RECEIVED	AMOUNT EXPENDED
<u>U.S. Department of Agriculture</u>			
Passed Through the State of Kansas			
Department of Education:			
School Breakfast Program	10.553	\$45,048	\$45,048
National School Lunch Program	10.555	132,531	132,531
Summer Food Service Program	10.559	3,024	3,024
School Lunch Equipment	10.579	9,495	9,495
		190,097	190,097
 <u>U.S. Department of Education</u>			
Direct Program			
REAP Grant	84.358	31,085	31,085
 Passed Through the State of Kansas			
Department of Education:			
Title I	84.010	173,582	173,582
Safe and Drug Free Schools	84.186	2,662	2,662
School Preparedness Grant	84.302	750	750
Title II - Tech Literacy Program	84.318	1,593	1,593
Title II - Improving Teacher Quality	84.367	24,444	24,444
Data Use Grant	84.372	800	800
Title II - Tech Literacy ARRA	84.386	83,918	83,918
Title I ARRA	84.389	42,779	42,779
ARRA Stabilization	84.394	431,746	431,746
		793,359	793,359
 TOTALS		\$983,456	\$983,456

Diehl Banwart Bolton

Certified Public Accountants P.A.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL AWARDS PROGRAMS

Board of Education
Chetopa – St. Paul Unified School District #505
Chetopa, Kansas

Compliance

We have audited the compliance of Chetopa – St. Paul Unified School District #505 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the compliance of the District based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Chetopa – St. Paul Unified School District #505 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Chetopa – St. Paul Unified School District #505 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The report is intended solely for the information and use of the governing body, management and federal awarding agencies and pass-through entities and it is not intended to be and should not be used by anyone other than these specified parties.

Diehl Banwart Bolton CPAs PA

DIEHL, BANWART, BOLTON, CPAs P.A.

November 15, 2010
Pittsburg, Kansas

Diehl Banwart Bolton

Certified Public Accountants P.A.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON THE AUDIT OF THE FINANCIAL STATEMENTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Chetopa – St. Paul Chetopa Unified School District #505
Chetopa, Kansas

We have audited the financial statements of Chetopa – St. Paul Unified School District #505 as of the year ended June 30, 2010, and have issued our report thereon dated November 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting (2010-1).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, we would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to Management of the District in a separate letter dated November 15, 2010.

This report is intended solely for the information and use of the governing body, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

 DIEHL, BANWART, BOLTON, CPAs P.A.

November 15, 2010
Pittsburg, Kansas

CHETOPA – ST. PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS:

Type of auditors' report issued:

- Adverse for departures from accounting principles generally accepted in the United States of America due to preparation of financial statements in accordance with the statutory basis of accounting.
- Unqualified opinion on the statutory basis financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? __ YES X NO
- Significant deficiency(ies) identified that
are not considered to be material weaknesses? NONE
X YES __ REPORTED

Noncompliance material to financial statements noted?

__ YES X NO

FEDERAL AWARDS:

Internal control over major programs:

- Material weakness(es) identified? __ YES X NO
- Significant deficiency (ies) identified that
are not considered to be material weaknesses? NONE
__ YES X REPORTED

Type of auditors' report issued on compliance for major programs:

UNQUALIFIED

Any audit findings disclosed that are required to be reported
in accordance with Section 510(a) of Circular A-133?

__ YES X NO

IDENTIFICATION OF MAJOR PROGRAMS:

<u>CFDA #</u>	<u>NAME OF PROGRAM</u>
10.553 & 10.555	School Lunch Cluster
84.394	ARRA Stabilization

Auditee qualified as low-risk auditee?

__ YES X NO

SECTION II - FINANCIAL STATEMENT FINDINGS

Significant Deficiency

2010-1 Drafting Financial Statements

Condition: As auditors, we provide significant assistance with adjusting entries, as well as determining which disclosures are required under generally accepted accounting standards and the statutory basis of accounting.

Criteria: Internal controls should be in place that provide a reasonable assurance that the financial statements are appropriate in form and contain the required disclosures.

Cause: Relying upon the independent auditors is a significant deficiency in internal controls as they can not be considered part of the District's internal control.

Effect: The District relies on independent auditors to determine the financial statements are in the correct form and include the proper disclosures.

Recommendation: None

Response: The District agrees with the finding. The District's response is in the attached Corrective Action Plan.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CHETOPA – ST. PAUL UNIFIED SCHOOL DISTRICT #505

June 30, 2010 Financial Statements

Corrective Action Plan

Audit Finding 2010-1

Chetopa – St. Paul USD #505 has always relied upon its auditors to provide significant assistance with adjusting entries and with determining which disclosures were required under generally accepted accounting principles and the statutory basis of accounting. While Chetopa – St. Paul USD #505 understands that this is a significant deficiency in our internal controls, we believe it is the most cost effective manner for us to produce our financial statements. Our accounting staff concentrate on providing the reports needed for management purposes and preparing the required reports for the Kansas Department of Education. We believe it would be inefficient and cost prohibitive for our staff to attempt to stay current on all the requirements of GAAP and the statutory basis of accounting. We do not plan on making any changes at this time. However, we will monitor this situation and periodically determine if it is cost effective for us to perform these functions.